

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7405

BILL NUMBER: HB 1541

NOTE PREPARED: May 4, 2011

BILL AMENDED: Mar 31, 2011

SUBJECT: Transfer Fee Covenants.

FIRST AUTHOR: Rep. Speedy

FIRST SPONSOR: Sen. Schneider

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: The bill defines "transfer fee covenant" as a declaration or covenant that: (1) purports to affect an interest in real property in Indiana; and (2) requires the payment of a transfer fee to a specified person upon a subsequent transfer of the interest in real property. The bill provides that a transfer fee covenant recorded in Indiana after June 30, 2011: (1) does not run with the title of the real property interest purported to be affected; and (2) is not binding or enforceable against any subsequent owner, purchaser, or mortgagee of the real property interest. The bill provides that any lien purporting to secure the payment of a transfer fee under a transfer fee covenant recorded in Indiana after June 30, 2011, is void and unenforceable.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Chris Baker, 317-232-9851.